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PUBLIC ENTREPRENEURSHIP:

A TYPOLOGY

By

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Policy Entrepreneurs, outside the formal positions of government, introduce and facilitate the implementation of new ideas into the public sector. Bureaucratic Entrepreneurs occupy non-leadership positions in government and introduce and implement new ideas from their particular vantage point in public organizations. Executive Entrepreneurs from their leadership positions in governmental agencies and departments, generate and implement new ideas; and finally, Political Entrepreneur introduce and implement new ideas as holders of elective office.

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PUBLIC ENTREPRENEURSHIP:

A TYPOLOGY

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PUBLIC ENTREPRENEURSHIP: A TYPOLOGY

ABSTRACT

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Drawing on this typology, implications for future research on and practice of public entrepreneurship are explored.

PUBLIC ENTREPRENEURSHIP: A TYPOLOGY

Introduction

Economic historian, Joseph Schumpeter, credited the eighteenth century French economist, Richard Cantillon, with introducing the term "entrepreneur," and defining him/her as "an agent who purchases the means of production for combination into new, marketable products" (Palmer, 1971).

Schumpeter, referred to as the "father of modern entrepreneurial thought" builds on this earlier conceptualization to emphasize the significance of innovation in the entrepreneurial process. For Schumpeter, the entrepreneur's ultimate task was innovation -- finding and utilizing new ideas and "carrying out new combinations" of material and forces to jostle the economy out of its otherwise repetitive cycles of activities. Entrepreneurship, according to Schumpeter, provides an "indispensable" driving force that powers capitalistic economic growth (1934: 182).

Writing in Entrepreneurial Man, Collins and associates underscore the importance of innovation, referring to the entrepreneur as the "catalytic agent in society which (sic) sets into motion new enterpreises, new combinations of production and exchange" (Collins, Moore, Unwalla, 1964:17). They define the entrepreneur as one who inovates and develops "an ongoing business activity where none existed before" (p.20).

Since the 1960s the terms "entrepreneur" and "entrepreneurship" have been appearing with increasing frequency in the public policy and management literatures (King, 1988). With efforts to

privatize the public sector, manage resource scarcity, and innovate and renew our public organizations, we seem to be witnessing a period of growing interest in a phenomena that was once reserved for the private sector.

Despite this interest, or perhaps because of it, we find multiple interpretations of what it means to be a public sector entrepreneur. We read references about public entrepreneurs who develop and nurture their own agencies (e.g. David Lilenthal and the TVA), sponsor innovative technolgy in their organizations (e.g. Admiral Rickover and the U.S Navy), work toward organization reform (e.g. Elmer Staats at GAO), and lobby Congress to introduce innovative legislation (e.g. Ralph Nadar). These are just a few of the case studies on entrepreneurs that have been appearing with increasing frequency in the literature. (See Doig and Hargrove, (1987) for further examples).

Although the case studies provide much needed documentation of entrepreneurship in government, they present some important challenges to the researcher. Just what is entrepreneurship in the public sector and who is the public sector entrepreneur? How does the concept of public sector entrepreneurship differ from business entrepreneurship, and how should it? And how do we distinguish entrepreneurs from managers, leaders, and those who seek to build their bureaucratic empires? The case studies offer us a rich descriptive base, yet at the same time we are confronted with a confusing and contradictory array of definitions and applications of public sector entrepreneurs and entrepreneurship.

Our goal in this paper is straightforward. We offer a

conceptual framework of public sector entrepreneurs and entrepreneurship. This framework or conceptual model enables us to distinguish entrepreneurs from non entrepreneurs, and differentiate among the various types of entrepreneurs so richly described in the literature. Although not a goal of this paper, but based on the conceptual underpinning we offer and joined with greater empirical effort, we can ultimately identify the necessary and sufficient conditions for entrepreneurship in the public sector.

We begin our effort with an overview of the literature and a summary of its disparate treatment of entrepreneur and entrepreneurship. Drawing on this review, we introduce our own conceptualization of entrepreneurship and entrepreneur and then offer a typology that allows us to differentiate among the various types of entrepreneurs. We conclude the paper with recommendations for future research and practice in the area of public entrepreneurship.

Overview

Research in the area of public entrepreneurship has its pitfalls and challenges. An initial reading reveals little rigor in terms of concept definition. No clear consensus emerges on what is an public entrepreneur, and how that public entrepreneur compares with private sector entrepreneurs. To complicate matters, we have found seven general terms describing entrepreneurs in the public sector: political entrepreneur; "analytical" entrepreneur; issue entrepreneur; "regulatory or paper" entrepreneur; public entrepreneur;

administrative entrepreneur; and policy entrepreneur. These descriptors are used quite loosely in the literature: some authors interchangeably use two or three of the above terms to describe the same phenomenon; others limit their discussion of entrepreneurs to one particular category, while making little effort to reconcile their term with others employed. Even those who use the same term apply different meanings to it.

We can begin to appreciate the conceptual difficulties by turning to Table 1, which summarizes the major terms used. Dahl introduced the concept political entrepreneur in his study of New Haven's mayor Richard Lee, and defined it to mean one who seizes "opportunities for pyramiding a small amount of initial resources into a sizable political holding" (Dahl, 1961:227). In this work, political influence was used to promote policies that in turn created good will among the influencial that would be expected to bring future support.

TABLE 1

Review of Studies of Entrepreneurs

1 Term	2 Research	3 Position	4 Innovation	5 Type of Entrepreneur
(1) Political Entrepreneur	Dahl, 1961	Politician		Political Entrepreneur
	Walker, 1974; 1977; 1981	Multiple Positions	X	Multiple Classification
(2) Analytical Entrepreneur	Meltsner 1976	Analyst		Bureaucratic Entrepreneur
(3) Issue Entrepreneur	Eyestone 1978	Multiple Positions		Policy Entrepreneur
(4) Regulatory Entrepreneur	Wilson 1981; Kent, Sexton & Vespar, 1982	Multiple Postions	X	Policy Entrepreneur
(5) Public Entrepreneur	Lewis, 1984	Appointed Executive		Executive Entrepreneur
(6) Administrative Entrepreneur	Doig & Hargrove 1987	Appointed Executive	X	Executive Entrepreneur
(7) Policy Entrepreneur	Cobb & Elder, 1981; 1983.	Multiple Positions		Multiple Classifications
	Kingdon, 1984	Multiple Positions	Implied	Multiple Classifications

Yet Walker (1974; 1977; 1981) also employed the term political entrepreneur, although his application was somewhat different. He described the activities of "gifted leaders" who make innovative proposals and engineer their acceptance in the policy innovation process (Walker, 1981:91). These entrepreneurs are able to tie together all the major elements necessary for successful policy innovation: the recognition of a serious problem that prevailing public policies are not able to handle; the identification of a body of research with clear policy implication that provides justification for new legislation; and the acknowledgement that agencies have ignored or lost touch with the developing knowledge in the field. Thus, the political entrepreneur matches problems and solutions in such way so as "to tie all these elements together in a dramatic proposal for change" (Walker, 1977:455).

In a very different vein, Meltsner (1976) studied policy analysts employed by the federal government in Washington D.C. In his study, 116 policy analysts were classified on two dimensions: political skill and analytical skill. The individuals classified as high on both dimensions were labeled as "entrepreneurs" (n=27). Thus, an entrepreneur from Meltser's perspective is a skilled policy technician and astute "bureaucratic" politician working effectively with numbers and people, or what we refer to as the analytical entrepreneur.

Eyestone identified "issue entrepreneurs" as those who act for the benefit of others and make a livelihood by bringing about accomodations between citizen groups and public officials (1978:89). Calling them di[illegible]tive political actors, he divided

them into two groups: the issue generator who brings an issue to the attention of a large number of people who share the concern; and the issue broker, the insider, who knows whom to talk to and how to get things done (Eyestone, 1978:93). Although, in his study the two could be filled by the same person, the key was that the issue entrepreneur was active at multiple points in what Eyestone called the issue translation process, or raising issues to the public agenda so that they can be acted upon (p.88).

Wilson (1981) employed the term entrepreneur (we refer to it as "regulatory" or "paper entrepreneur") to describe a person who promotes `innovative' regulations as a "vicarious representative of groups not directly part of the legislative process" (Wilson, 1980:370; See also Kent, Sexton and Vespar, 1982:93). For example, in the cases of antipollution and auto-safety legislation, regulatory entrepreneurs were able to "mobilize latent public sentiment (by revealing a scandal or capitalizing on a crisis), put the opponents of the plan publicly on the defensive (by accusing them of deforming babies or killing motorists), and associate the legislation with widely shared values (clean air, pure water, health, and safety)" (Wilson, 1981: 370. Since the reaction of the industry is usually hostile to the regulation, entrepreneurs help overcome this hostility by influencing the attitudes and galvanizing support of third parties such as the media, writers, congressional committee staff members, political activists, and volutary association leaders. (p.371).

Lewis (1984) studied the lives of individuals who were able

to achieve "uncontested domination" over their respective public bureaus and called them "public entrepreneurs." These chief executives of large public bureaus, such as Hyman Rickover, J. Edgar Hoover, and Robert Moses, created or expanded their public organizations, and in so doing, altered the "existing pattern of allocation of scarce public resources" (p.9).

In a treatment similar to public entrepreneurs, Doig and Hargrove (1987) introduced the term "administrative entrepreneurs" to describe the actions of public sector executives who led their organizations in devising new programs or other significant innovations and who were also involved in implementing those changes.

And finally, Cobb and Elder (1981) described the importance of "policy entrepreneurs" in the policy process. According to these theorists, many policy areas have become dominated by a "limited and relatively stable set of actors operating with a relatively closed communications network" (p. 401). Called "policy subsystems" or "iron triangles," these policy subsystems tend to exercise "fairly exclusive control" over the institutional agenda in their policy domain and limit participation in the problem definition process. Policy entrepreneurs are key because they provide the outside pressure on the subsystem to break its "vice grip" and overcome its "systemic bias." Through an aggressive and skillful public advocacy, they are able to shift the frame of reference, redefine what is problematic, and galvanize public opinion around an issue.

Kingdon (1984) also used the term "policy entrepreneur" but

attached a somewhat different meaning to it compared to the Cobb and Elder usage. For Kingdon, the policy process is viewed as made up of these separate streams of problems, policies, and politics each of which have lives of their own. Occasionally, however, these three streams come together and are linked into a single package. The joining of solutions to problems, problems to political forces, and political forces to proposals "depends heavily on the appearance of the right entrepreneur at the right time" (p. 204). "Without the presence of an entrepreneur, the linking of the streams may not take place (p. 191). And without the coupling activities of the policy entrepreneur, issues will not get raised to the decision agenda. Thus, summarizes Kingdon, "good ideas lie fallow for lack of an advocate. Problems are unsolved for lack of a solution. Political events are not capitalized for lack of inventive and developed proposals" (p. 191).

Entrepreneurship and Entrepreneurs

Given these disparate treatments of public entrepreneurs and entrepreneurship, we are left with many questions the least of which is -- What exactly is entrepreneurship in the public sector? What are its defining characteristics, and who are entrepreneurs? From reading of the current literature, it is not clear to us how to distinguish entreprepreneur from non entrepreneur, entrepreneurship from non entrepreneurship, or among the types of entrepreneurs.

As a case in point, we see in returning to Table 1, column 3, that public entrepreneurs have been identified as being

widely distributed throughout the policy system: postions in and out of government, elected as well as appointed, both managerial and analytical in nature. It is not clear, however, to what we owe this ubiquity. Do all of these individuals have common personal characteristics that mark them as entrepreneurs? Are there some behavioral patterns that distinguish these individuals from others in the public sector? What is it that marks these individuals as unique? Unfortunately, we can just as likely explain their ubiquity by the lack of conceptual clarity surrounding public entrepreneurship as we can by the omnipresence of entrepreneurs. If we are uncertain about what constitutes an entrepreneur, how can we be certain where they are located?

One thread that emerges from some of the analysis on entrepreneurship is the issue of innovation. Column 4 of Table 1 indicates that a few researchers in this area, either explicitly or implicitly, have made a connection between entrepreneurs and innovation. For example, Doig and Hargrove (1987) identify as their sample selected individuals "whose careers ... were linked to innovative ideas and to efforts to carry out these ideas into effect" (p.7). Kingdon (1984), who implicitly associates policy entrepreneurs with change, sees their role as involving "recombination of old elements" or the packaging of already familiar elements (p. 131).

Drawing on the Schumpeterian view from the private sector, and building on some of this initial research in the public sector, we would posit that public sector entrepreneurship is the p[illegible]s of introducing innovation to the public sector.

Innovation in turn is defined as the generation and implementation of new ideas. These ideas can be anything from a new policy or program to a new administrative agency, to a new procedure or process which alters work or activity. What characterizes innovation from routine action is the disjuncture from past activity. The emphasis is what is unique to and distinctive from a particular context rather than what constitutes a continuation of the standard operating procedures and routines.

This definition of public entrepreneurship has two major defining elements. First, entrepreneurship includes both the generation of a new idea as well as its implementation. It is a necessary but not sufficient condition to create or have an new idea; an entrepreneur must also translate that idea into some action, plan or process by which the new ways of doing things are distinguished from the old. As Kingdon reminds us, many ideas abound in the "policy primeval soup" (p.130). Having an idea begins the entrepreneurial process, but it is not enough. We must be able to take those ideas and translate (implement) them into law, policy, procedure, or administrative structure. Thus, it is with the creation and implementation of the idea that one can distinguish innovation from non-innovation and entrepreneurship from non-entrepreneurship.

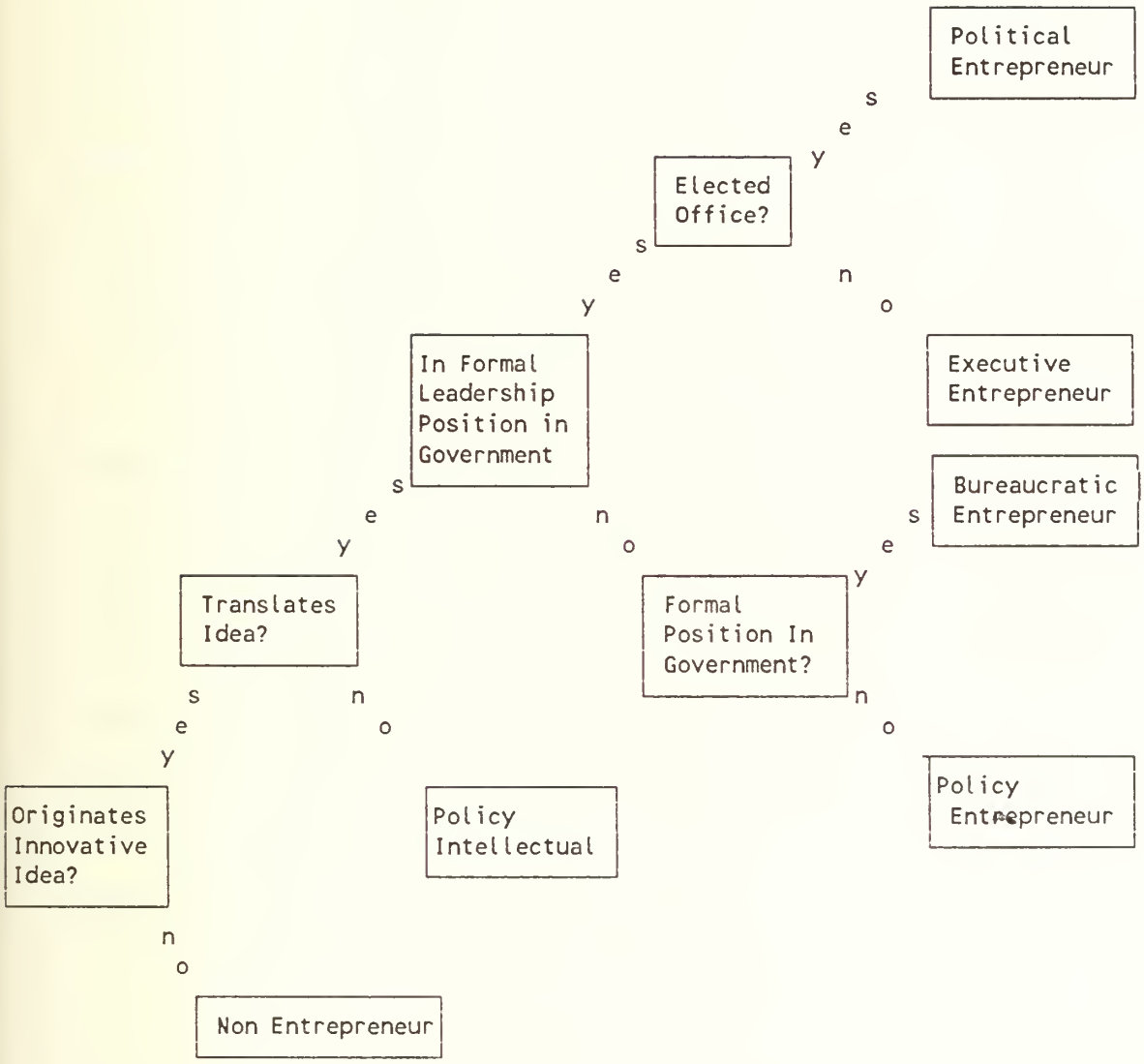
Second, we must specify what is really new about a "new idea." Is an idea new if it is borrowed from other organizations, contexts, or situations? Our response, consistent with theory and research in the private sector, is to say that if

the idea is new to the context or setting to which it is being introduced, then it is indeed an innovation (Van de Ven, 1986; Van de Ven, Angle, and Poole, 1989). For example, while a new adult literacy program is introduced in California, is it an innovation to introduce a similar program to New York? The answer depends to what extent the new program differs from current programs in New York. If it represents a departure from established approaches and standard procedures in dealing with adult literacy, then yes the adult literacy program is an innovation in New York. If it represents a continuation of policy and programs in New York, then no it is not an innovation. In sum, the context determines whether an idea is an innovation or not. Asking whether something is a new idea in a context is different from asking the source of that idea in that context. While both are important, it is the former that becomes the defining characteristic of innovation.

If public sector entrepreneurship is defined as the introduction of innovation, and innovation is the generation and implementation of new ideas, then who are entrepreneurs? Figure 1 presents a logical tree that not only distinguishes entrepreneurs from non-entrepreneurs but illustrates how we can distinguish among the various types of entrepreneurs in the public sector.

Figure 1

Public Entrepreneurs



Beginning on the far left side of Figure 1, we ask the question, Does the individual in question have an innovative idea? If no, the person is classified as a non-entrepreneur. Does the individual implement the innovative idea, meaning does the individual translate the idea into a new policy, program, procedure, process, or administrative structure? If no, the individual is classified as an Policy Intellectual, but not as an entrepreneur. Thus, in answering the first two questions we have distinguished entrepreneurs from non-entrepreneurs, and entrepreneurs from idea generators or policy intellectuals.

We then ask of those who are entrepreneurs, Does the individual occupy a formal position of leadership? If no, another question follows. Does the individual occupy a formal position in government? If the answer to both questions is no, we classify the individual as a Policy Entrepreneur. If the individual does not hold a formal leadership position but does hold a position in government, we identify the individual as a Bureaucratic Entrepreneur. Thus, our first distinction among entrepreneurs is between those who have formal positions in government and those who do not. We call entrepreneurs outside the formal system of government Policy Entrepreneurs. Entrepreneurs in formal positions of government, although not in leadership positions, we describe as Bureaucratic Entrepreneurs.

Continuing with the next questions in the logical tree, if the entrepreneur holds a formal leadership position in government and has been elected to that office we identify the entrepreneur as a Political Entrepreneur. An entrepreneur in a formal leadership position, although not elected but appointed to

office is called an Executive Entrepreneur.

In summary, from our logical tree we have derived four mutually exclusive categories or types of public entrepreneurs: Policy Entrepreneurs --those entrepreneurs outside the formal positions of government; Bureaucratic Entrepreneurs -- those entrepreneurs in government in non-leadership positions; Executive Entrepreneurs -- those entrepreneurs appointed to leadership positions in government; and Political Entrepreneurs -- those entrepreneurs holding elective office.

Working with this typology of entrepreneurs has several advantages. First of all, we are now able to return to the literature and reclassify the previous studies on entrepreneurs into the four types. Providing that they met the defining criteria of introducing innovation, Meltsner's political analysts are those we would define as bureaucratic entrepreneurs. The administrative entrepreneurs of Doig and Hargrove (1987) fit into the category of executive entrepreneurs (See column 5 of Table 1). This reclassification is important because it not only develops common terminology in describing entrepreneurship, but it enables us to make comparisons among and between types of entrepreneurs, work that was difficult without some conceptual framework to guide our analysis. We now can begin to understand what entrepreneurs have in common and how they differ. Previously, it was impossible to account for the differences or similarities -- Were they related to the type of public entrepreneurs under study, the sites, or the policy innovation, or other factors? With this classification system we can begin a

more systematic study of entrepreneurship.

Secondly, the typology of public entrepreneurs will enable us to compare and contrast behavioral patterns, activities, and roles of each type of entrepreneur. Current roles featured in the literature range from two-factor models such as "issue generator" and "issue broker" (Eyestone, 1978), and "initiator" and "broker" (Cobb and Elder, 1983), to four-factor models such as "idea generator," "strategist," "activist," and "guardian" (King, 1988). With the entrepreneurship typology, we can begin to examine how entrepreneurial roles may vary as the context and conditions vary. This is an important next step because ultimately our goal beyond behavioral description is to connect entrepreneurial activity with outcomes likely to lead to successful public entrepreneurship.

Conclusion

We have examined the diversity of treatment of public entrepreneurship and entrepreneurs in the public sector literature and proposed a typology that, we believe, can make future analysis more systematic and rigorous. Our work is only beginning, however. Many more questions need to be pursued.

From a research perspective, we need to ask what is the appropriate unit and level of analysis to analyze public entrepreneurship? Should we examine entrepreneurship with the individual as the unit and level of analysis? Or should we consider the larger policy system, which includes the context and environmental factors, as our unit and level of analysis? Very different research questions emanate from these two approaches.

By focusing on the individual entrepreneur, for example, we

would ask what is the personal profile that distinguishes entrepreneurs from other social actors, both in the public and private sectors. We also would attempt to characterize their strategies and tactics in order to distinguish them from others and to cull out those strategies most likely to be related to success. Work along this line has begun to reveal some valuable insights about policy entrepreneurs' attitudes toward change, their value systems, their backgrounds, and their personality characteristics (King, 1988).

On the other hand, by enlarging our scope to include the larger policy system, we would ask a different set of questions. For example, what are the roles of entrepreneurs and how do their positions in the policy system impact their roles? How do the roles of the executive entrepreneurs compare and contrast with the roles of the bureaucratic, policy, and political entrepreneurs? And what relationship do these roles have to the larger question of entrepreneurial success and effectiveness in these different positions?

Our particular bias favors examination of public entrepreneurship at the system level of analysis. It is here that one understands the ultimate function of entrepreneurs, be it "coupler" (Kingdon, 1984) or "catalyst" in the innovation process (Roberts and King, 1988; 1989). Also, since one defines entrepreneurship in terms of innovation and innovation is defined in terms of the context, it becomes a natural transition to search for connections between contextual and individual variables. Thus, one need not be constrained by taking either a

"micro" or "macro" perspective; the challenge becomes one of understanding how variables (individual, group, structural, system-level) interact to produce innovative outcomes. Work in this area is also underway with initial results revealing a complex pattern of relationships among ideas, people, groups, events, and conditions over time (Roberts and King, 1989).

Another set of questions from a research perspective centers around the nature of inquiry about entrepreneurship -- in Mohr's terms whether one is in search of variance explanations or process explanations (Mohr, 1982). Variance explanations would examine a set of independent variables to ascertain what accounts for variance in the dependent variable, in this case entrepreneurship. Process explanations would strive to answer the question how: how does entrepreneurship happen? What is the dynamic process of change and innovation that results successful entrepreneurship?

While one can derive useful information from variance explanations, our bias is for the latter type of inquiry. In our five-year longitudinal research of entrepreneurship in the public sector, we have found variance explanations too confining and too limiting. They produce static views of entrepreneurship. Data gathered at one point in time or even through a time series series design, minimizes the complexity, the movement, and the dynamic nature of the entrepreneurial process. While longitudinal research for the purpose of developing process theories of entrepreneurship present hurdles for the researcher who is constrained by tenure and budget, we firmly believe that a comprehensive understanding of entrepreurship will only come with

this longitudinal investment of time and energy.

From the perspective of the practitioner in the public sector, a very critical question needs to be addressed. Returning to Schumpeter (1934), we are reminded that entrepreneurship and innovation unleash not only creative and constructive forces but destructive ones as well. New policies are introduced, but other programs and policies are terminated, resources are diverted, and people's investments of time and energy lost. What innovations and how much do we want to encourage in our systems? As the researchers works toward understanding the necessary and sufficient conditions for innovations in our public systems, the practitioner will need to be prepared to answer the questions -- Innovation for whom and for what what purpose? We cannot make the assumption that "innovation is good" without examining its potential implications in terms of costs as well as advantages.

Another question is how do we keep public entrepreneurs accountable (Roberts and King, 1989)? Organizations in business and industry has devised methods to "grow" their entrepreneurs in "skunkworks" and hold them accountable to the larger organization (Peters and Waterman, 1982). But how do we hold our public sector entrepreneurs accountable? While we want to encourage entrepreneurs in government, are their limits to this entrepreneurship? Are we willing to countenance the activities of an Oliver North, who indeed was entrepreneurial, with few checks and balances to constrain him, in order to encourage more flexibility and creativity government? Ultimately, the question

is how will we as practitioners maintain a "balance between innovation and accountability" (Ferman and Levin, 1987; Levin and Sanger, 1988). How will we set up our structures and systems to avoid endangering our public institutions with the darker sider of entrepreneurship while encouraging the creative force it embodies?

The agenda for researchers and practitioners is a full one. It is our hope that this brief overview, typology, and summary of questions for the future will stimulate debate and provide an outline for continued exploration of entrepreneurship in government.

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